



4004

ANNUAL REPORT

OF

Name: HAGER TELECOM, INC.

Principal Office: W8108 165TH AVE
P.O. BOX 125
HAGER CITY, WI 54014-0125

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I MICHAEL J. WALSH of
(Person responsible for accounts)

HAGER TELECOM, INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MICHAEL J. WALSH 04/06/2000
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: HAGER TELECOM, INC.
Utility Location: W8108 165TH AVE
P.O. BOX 125
HAGER CITY, WI 54014-0125

Utility Web Site Address:

When was utility organized?: 05/12/1913

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR MICHAEL J. WALSH
Title: GENERAL MANAGER

Office Address: W8108 165TH AVENUE
HAGER CITY, WI 54014

Fax Number: (715) 792 - 5385
Telephone Number: (715) 792 - 2103
Email Address: HAGERTEL@HAGER.NET

Individual or firm, if other than utility employee, preparing this report

Name: MR JEFFREY L. HANSON, CPA
Title: DIRECTOR
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Person responsible for financial information contained in report

Name: MR MICHAEL J. WALSH
Title: GENERAL MANAGER

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Person responsible for statistical information contained in report

Name: MR MICHAEL J. WALSH
Title: GENERAL MANAGER

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HAGER CITY, WI 54014

Fax Number: (715) 792 - 5385
Telephone Number: (715) 792 - 2103
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IDENTIFICATION AND OWNERSHIP

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	CANNON COMMUNICATIONS
Form of Interest:	100% OWNED SUBSIDIARY
Extent Of Interest:	100% OWNED SUBSIDIARY

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,447,835	1,398,140	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	296,691	233,221	2
Plant Nonspecific Operations Expense	366,820	338,307	3
Customer Operations Expense (6610-6620)	143,410	122,736	4
Corporate Operations Expense (6710-6790)	324,087	348,906	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	117,725	139,622	7
Total Operating Expenses	1,248,733	1,182,792	8
Net Operating Income	199,102	215,348	9
Other Income			
Nonoperating Income and Expense (7300)	408,546	256,171	10
Nonoperating Taxes (7400)	82,398	75,569	11
Interest and Related Items (7500)	193,119	150,270	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	2,517	1,741	14
Total Nonoperating Income	135,546	32,073	15
Net Income	334,648	247,421	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

 2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

 3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	490,798	546,969	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	490,798	546,969	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	6,835	8,287	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	6,835	8,287	
Other Accounts Receivable (1190)*	869,424	782,879	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	869,424	782,879	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	0	0	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	876,259	791,166	
SUPPLIES			
Inventories (1220)*	7,902	0	13
TOTAL SUPPLIES	7,902	0	
PREPAYMENTS			
Total Prepayments (1280)*	2,410	142	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	2,410	142	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,377,369	1,338,277	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	453,899	270,848	21
RTB Class B Stock (1402)*	0	0	22
Other Investments in Nonaffiliated Companies (1402)*	315,131	292,094	23
Nonregulated Investments (1406)*	0	0	24
Unamortized Debt Issuance Expense (1407)*	0		25
Sinking Funds (1408)*	0	0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0		27
TOTAL INVESTMENTS	769,030	562,942	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	13,971	0	30
TOTAL DEFERRED CHARGES	13,971	0	
TOTAL NONCURRENT ASSETS	783,001	562,942	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	5,605,957	5,444,998	31
Less: Accumulated Depreciation (3100)*	2,186,315	2,468,068	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	34
Less: Accumulated Amortization--Intangible (3500)*	0		35
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,419,642	2,976,930	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0		36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0		37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0		38
Less: Accumulated Depreciation--Nonoperating (3300)*	0		39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	0	553,710	40
TOTAL TPUC	0	553,710	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		41
Less: Accumulated Amortization--Other (3600)*	0		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	3,419,642	3,530,640	
TOTAL ASSETS AND OTHER DEBITS	5,580,012	5,431,859	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	30,011	34,694	1
Notes Payable (4020)*	0	100,000	2
Advance Billing and Payments (4030)*	0		3
Customer Deposits (4040)*	1,248	1,347	4
Current Maturities--Long-Term Debt (4050)*	175,300	153,900	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	0	38,725	7
Other Taxes--Accrued (4080)*	0	0	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	13,954	15,278	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES	220,513	343,944	
LONG-TERM DEBT			
Funded Debt (4210)*	3,514,415	3,477,947	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	50,156	173,987	19
TOTAL LONG-TERM DEBT	3,564,571	3,651,934	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	259,856	224,007	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	259,856	224,007	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	6,600	6,600	28
Additional Paid-in Capital (4520)*	3,673	3,673	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	1,524,799	1,201,701	32
TOTAL STOCKHOLDERS' EQUITY	1,535,072	1,211,974	
TOTAL LIABILITIES AND OTHER CREDITS	5,580,012	5,431,859	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

NONE

-
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

NONE

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Receivable from Cannon Communications Corporation	A/R CANNON	1
Investment in Cannon Communications Corporation	CANNON	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars				
(a)	(b)	(c)	(d)	(e)
Docket	2420AT100			
Name of Affiliate	CANNON			1
Designate whether billed to or from:	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C			3
Total Dollar Activity	43,306			4
Percent of affiliate's business billed to all affiliated regulated utilities				5
If cost based, rate of return on equity or markup incorporated in billings				6
Footnotes				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	24,354	0	1
Motor Vehicles	2112	93,450	0	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	65,150	0	6
Buildings	2121	505,752	3,560	7
Furniture	2122	32,417	0	8
Office Equipment	2123	45,679	0	9
General Purpose Computers	2124	293,791	33,716	10
TOTAL--GENERAL SUPPORT ASSETS:		1,060,593	37,276	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	769,902	687,271	12 1
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	62,000	0	15
Circuit Equipment	2232	314,295	0	16
TOTAL--CENTRAL OFFICE ASSETS:		1,146,197	687,271	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	0	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0	0	22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	3,238,208	80,331	25 2
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0	0	29
Conduit Systems	2441	0	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,238,208	80,331	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	24,354	1
2112	0	0	93,450	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	0	0	65,150	6
2121	0	0	509,312	7
2122	0	0	32,417	8
2123	0	0	45,679	9
2124	0	0	327,507	10
	0	0	1,097,869	
2211	0	0	0	11
2212	616,958	10,897	851,112	12 1
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	62,000	15
2232	0	0	314,295	16
	616,958	10,897	1,227,407	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	0	20
2362	0	0	0	21
	0	0	0	
2411	0	0	0	22
2421	0	0	0	23
2422	0	0	0	24
2423	0	(37,858)	3,280,681	25 2
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	0	29
2441	0	0	0	30
	0	(37,858)	3,280,681	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	5,444,998	804,878	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	616,958	(26,961)	5,605,957	
2001			0	34
			5,605,957	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	22,449	0	1
Company Communications Equipment	2123.2	23,230	0	2
Software	2212.1	769,902	687,271	3 1
Digital Switching - Central Office	2212.2	0	0	4
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	62,000	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	77,733	0	10
Analog Circuit Equipment	2232.2	236,562	0	11
Light Wave Circuit Equipment	2232.3	0	0	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	0	0	14
Underground Cable - Nonmetallic	2422.1	0	0	15
Underground Cable - Metallic	2422.2	0	0	16
Buried Cable - Nonmetallic	2423.1	3,238,208	80,331	17 2
Buried Cable - Metallic	2423.2	0	0	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0	0	22,449	1
2123.2	0	0	23,230	2
2212.1	616,958	10,897	851,112	3 1
2212.2	0	0	0	4
2212.3	0	0	0	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	62,000	8
2231.2	0	0	0	9
2232.1	0	0	77,733	10
2232.2	0	0	236,562	11
2232.3	0	0	0	12
2421.1	0	0	0	13
2421.2	0	0	0	14
2422.1	0	0	0	15
2422.2	0	0	0	16
2423.1	0	(37,858)	3,280,681	17 2
2423.2	0	0	0	18
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	56,454	20.0	18,690	0	1
Aircraft	2113	0	.0	0	0	2
Special Purpose Vehicles	2114	0	.0	0	0	3
Garage Work Equipment	2115	0	.0	0	0	4
Other Work Equipment	2116	56,388	10.0	6,515	0	5
Buildings	2121	219,806	2.7	14,573	0	6
Furniture	2122	28,421	10.0	3,242	0	7
Office Equipment	2123	34,571	20.0	9,136	0	8
General Purpose Computers	2124	259,929	20.0	52,967	0	9
Total-- GENERAL SUPPORT ASSETS		655,569		105,123	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0	.0	0	0	10
Digital Electronic Switching	2212	596,433	8.0	63,452	0	11
Electro-Mechanical Switching	2215	0	.0	0	0	12
Operator Systems	2220	0	.0	0	0	13
Radio Systems	2231	50,149	12.5	4,960	0	14
Circuit Equipment	2232	238,282	10.0	23,656	0	15
Total-- CENTRAL OFFICE ASSETS		884,864		92,068	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0	.0	0	0	16
Customer Premises Wiring	2321	0	.0	0	0	17
Large Private Branch Exchanges	2341	0	.0	0	0	18
Public Telephone Terminal Equipment	2351	0	.0	0	0	19
Other Terminal Equipment	2362	0	.0	0	0	20
Total-- INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0	.0	0	0	21
Aerial Cable	2421	0	.0	0	0	22
Underground Cable	2422	0	.0	0	0	23
Buried Cable	2423	927,635	4.0	138,014	0	24
Submarine Cable	2424	0	.0	0	0	25
Deep Sea Cable	2425	0	.0	0	0	26
Intrabuilding Network Cable	2426	0	.0	0	0	27
Aerial Wire	2431	0	.0	0	0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0	.0	0	0
Total-- CABLE WIRE FACILITIES ASSETS		927,635		138,014	0
Total Accumulated Depreciation	3100	2,468,068		335,205	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0	0	0	0	75,144	1
2113	0	0	0	0	0	2
2114	0	0	0	0	0	3
2115	0	0	0	0	0	4
2116	0	0	0	0	62,903	5
2121	0	0	0	0	234,379	6
2122	0	0	0	0	31,663	7
2123	0	0	0	0	43,707	8
2124	0	0	0	0	312,896	9
	0	0	0	0	760,692	
2211	0	0	0	0	0	10
2212	616,958	0	0	0	42,927	11
2215	0	0	0	0	0	12
2220	0	0	0	0	0	13
2231	0	0	0	0	55,109	14
2232	0	0	0	0	261,938	15
	616,958	0	0	0	359,974	
2311	0	0	0	0	0	16
2321	0	0	0	0	0	17
2341	0	0	0	0	0	18
2351	0	0	0	0	0	19
2362	0	0	0	0	0	20
	0	0	0	0	0	
2411	0	0	0	0	0	21
2421	0	0	0	0	0	22
2422	0	0	0	0	0	23
2423	0	0	0	0	1,065,649	24
2424	0	0	0	0	0	25
2425	0	0	0	0	0	26
2426	0	0	0	0	0	27
2431	0	0	0	0	0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0	0	0	0	0	29
	0	0	0	0	1,065,649	
3100	616,958	0	0	0	2,186,315	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	16,142	20.0	4,490	0	1
Company Communications Equipment	2123.2	18,429	20.0	4,646	0	2
Software	2212.1	596,433	8.0	63,452	0	3
Digital Switching - Central Office	2212.2	0	.0	0	0	4
Digital Switching - Remote	2212.3	0	.0	0	0	5
Step by Step Switching	2215.1	0	.0	0	0	6
Crossbar Switching	2215.2	0	.0	0	0	7
Satellite and Earth Station Facilities	2231.1	50,149	8.0	4,960	0	8
Other Radio Facilities	2231.2	0	.0	0	0	9
Digital Circuit Equipment	2232.1	77,733	14.3	0	0	10
Analog Circuit Equipment	2232.2	160,549	10.0	23,656	0	11
Light Wave Circuit Equipment	2232.3	0	.0	0	0	12
Aerial Cable - Nonmetallic	2421.1	0	.0	0	0	13
Aerial Cable - Metallic	2421.2	0	.0	0	0	14
Underground Cable - Nonmetallic	2422.1	0	.0	0	0	15
Underground Cable - Metallic	2422.2	0	.0	0	0	16
Buried Cable - Nonmetallic	2423.1	927,635	4.0	138,014	0	17
Buried Cable - Metallic	2423.2	0	.0	0	0	18
Submarine Cable - Nonmetallic	2424.1	0	.0	0	0	19
Submarine Cable - Metallic	2424.2	0	.0	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	.0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0	0	0	0	20,632	1
2123.2	0	0	0	0	23,075	2
2212.1	616,958	0	0	0	42,927	3
2212.2	0	0	0	0	0	4
2212.3	0	0	0	0	0	5
2215.1	0	0	0	0	0	6
2215.2	0	0	0	0	0	7
2231.1	0	0	0	0	55,109	8
2231.2	0	0	0	0	0	9
2232.1	0	0	0	0	77,733	10
2232.2	0	0	0	0	184,205	11
2232.3	0	0	0	0	0	12
2421.1	0	0	0	0	0	13
2421.2	0	0	0	0	0	14
2422.1	0	0	0	0	0	15
2422.2	0	0	0	0	0	16
2423.1	0	0	0	0	1,065,649	17
2423.2	0	0	0	0	0	18
2424.1	0	0	0	0	0	19
2424.2	0	0	0	0	0	20
2426.1	0	0	0	0	0	21
2426.2	0	0	0	0	0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(259,856)	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	0	7
Net Property Related Deferred Operating Income Taxes	(259,856)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(259,856)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	0	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,201,701	965,830	1
Changes:			
Balance Transferred from Income	334,648	247,421	2
Dividends Declared:			
Common	11,550	11,550	3
Preferred	0	0	4
Total Dividends Declared	11,550	11,550	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>1,524,799</u>	<u>1,201,701</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	568,699	535,513	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	568,699	535,513	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	85,326	83,064	11
Switched Access Revenue (5082)*	491,166	504,896	12
Special Access Revenue (5083)*	17,863	21,833	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	594,355	609,793	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	205,026	165,494	15 3
Special Access Revenue (5084.3)*	11,928	16,657	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	216,954	182,151	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	2,804	6,982	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	2,804	6,982	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	0	0	30
Rent Revenue (5240)*	3,450	3,450	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	15,560	12,869	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	15,560	12,869	
Interstate Billing and Collection Revenue*	27,859	26,504	39
Intrastate Billing and Collection Revenue*	19,933	17,884	40
Total Carrier Billing and Collection Revenue (5270)*	47,792	44,388	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	66,802	60,707	
GROSS OPERATING REVENUES	1,449,614	1,395,146	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,779	(2,994)	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,779	(2,994)	
TOTAL OPERATING REVENUES	1,447,835	1,398,140	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	2,588	1
Less: Nonregulated	0	0	2
Net Regulated	0	2,588	3
Total General Support Expense (6120)	75,623	78,938	4
Less: Nonregulated	0	0	5
Net Regulated	75,623	78,938	6
Total Central Office Switching Expense (6210)	45,354	39,451	7
Less: Nonregulated	0	0	8
Net Regulated	45,354	39,451	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	57,355	1,705	13
Less: Nonregulated	0	0	14 3
Net Regulated	57,355	1,705	15
Total Information Orig. / Term. Expense (6310)	561	819	16
Less: Nonregulated	0	0	17
Net Regulated	561	819	18
Total Cable and Wire Fac. Expense (6410)	117,798	109,720	19
Less: Nonregulated	0	0	20
Net Regulated	117,798	109,720	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	296,691	233,221	
Less: Nonregulated	0	0	
Net Regulated	296,691	233,221	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	6,416	5,383	22
Less: Nonregulated	0	0	23
Net Regulated	6,416	5,383	24
Total Network Operations Expense (6530)	25,199	26,360	25
Less: Nonregulated	0	0	26
Net Regulated	25,199	26,360	27
Access Expense (6540)	0	0	28
Less: Nonregulated	0	0	29
Net Regulated	0	0	30
Total Depreciation and Amortization Expense (6560)	335,205	306,564	31
Less: Nonregulated	0	0	32
Net Regulated	335,205	306,564	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	366,820	338,307	
Less: Nonregulated	0	0	
Net Regulated	366,820	338,307	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	6,841	6,837	34
Less: Nonregulated	0	0	35
Net Regulated	6,841	6,837	36
Total Services (6620)	136,569	115,899	37
Less: Nonregulated	0	0	38
Net Regulated	136,569	115,899	39
TOTAL CUSTOMER OPERATIONS EXPENSE	143,410	122,736	
Less: Nonregulated	0	0	
Net Regulated	143,410	122,736	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	104,805	119,445	40
Less: Nonregulated	0	0	41
Net Regulated	104,805	119,445	42
Total General and Administrative (6720)	219,282	229,461	43
Less: Nonregulated	0	0	44
Net Regulated	219,282	229,461	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	324,087	348,906	
Less: Nonregulated	0	0	
Net Regulated	324,087	348,906	
TOTAL EXPENSES	1,131,008	1,043,170	
Less: Nonregulated	0	0	
Net Regulated	1,131,008	1,043,170	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	6,416	5,383	2
Total: Reported in Account 6510	6,416	5,383	
Depreciat. Exp.--Tele. Plant in Service (6561)	335,205	306,564	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	0	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	335,205	306,564	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,449,614	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>1,449,614</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	568,699	1
Plus: Total Intrastate Access Revenues (5084)	216,954	2
Plus: Total Long Distance Network Services Revenue	2,804	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>788,457</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,449,614	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,449,614	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	568,699	1
Plus: Total Intrastate Access Revenues (5084)	216,954	2
Plus: Total Long Distance Network Services Revenue	2,804	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	788,457	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	0	2
Operating Federal Income Taxes (7220)	(19,986)	71,088	3
Operating State and Local Income Taxes (7230)	(7,844)	14,590	4
Operating Other Taxes (7240)	85,706	87,169	5
Provision for Deferred Operating Income Taxes--Net (7250)	59,849	(33,225)	6
TOTAL OPERATING TAXES (7200)	117,725	139,622	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	0	0	7
Interest Income (7320)	68,646	50,435	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	0	0	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	340,052	212,318	12
Special Charges (7370)	152	6,582	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	408,546	256,171	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	82,398	75,569	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	193,119	150,270	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	2,517	1,741	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)

The sale of Customer Premise Equipment.

1

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	252,321	1
All Other Accounts	119,143	2
Total Salaries and Wages	371,464	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1 4
Extended Area Service	0	0	2 4
Extended Community Calling	0	0	3 4
Other Local-Undefined	0	0	4 4
Total Local	0	0	
TOLL			
Toll	71	815	5
Total Toll	71	815	
Total Local & Toll	71	815	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	23	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	514	0	5
Feature Group C -- Term.	0	0	452	0	6
Feature Group D -- Orig.	2,722	376	417	0	7
Feature Group D -- Term.	3,441	1,628	204	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	36	1
Strand miles of plant - fiber optics	1,332	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	4	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	36	1
Strand miles of plant - fiber optics	1,332	2
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SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	184	197	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	14	14	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	56	56	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone	0	1	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	6	6	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	260	274	20
Residential (Incl. Emp. Concess.)			
1 Party	1,638	1,688	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	1,638	1,688	27
Total Bus & Res Lines	1,898	1,962	28
Company Used Lines	0	0	29
Total Lines Used	1,898	1,962	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	1	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	33	28	7
Special Access-interLATA			8
(expressed in equiv. access lines)	78	30	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	65	65	12
Feature Group D Trunks	24	24	13
TSPS - Trunks	6	6	14
EAS - Trunks	168	335	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	4,384,405	4,508,088	27
Total Company Square Miles	108	108	28
Total Company Route Miles	284	284	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0350	2210			1
Business					2
1 Party	61	136			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	0	14			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	0	0			8
Key System Trunks	10	46			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	0			11
FX-Out (Switched)	0	0			12
Pay Telephone	0	0			13
Coin-Operated Pay Telephone	1	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	0	0			16
- Semi-Public	1	5			17
- Cust. Owned	0	0			18
Other	0	0			19
Total Business Lines	73	201	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	597	1,091			22
2 Party	0	0			23
4 Party	0	0			24
FX-Out (Switched)	0	0			25
Other	0	0			26
Total Residential Lines	597	1,091	0	0	27
Total Bus & Res Lines	670	1,292	0	0	28
Company Used Lines	0	0			29
Total Lines Used	670	1,292	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0350	2210			1
Miscellaneous					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	1			4
FX-In-intraLATA	0	1			5
Special Access-intraLATA					6
(equiv. access lines)	1	27			7
Special Access-interLATA					8
(equiv. access lines)	2	28			9
Feature Group A Lines	0	0			10
Feature Group B Trunks	0	0			11
Feature Group C Trunks	0	65			12
Feature Group D Trunks	0	24			13
TSPS - Trunks	0	6			14
EAS - Trunks	0	335			15
Cellular Trunks (Pub. Sw. Net.)	0	0			16
Video Distance Learning					17
- discounted (special tariff)	0	0			18
Customers					19
Business - 2 Party Customers	0	0			20
Business - 4 Party Customers	0	0			21
Residential - 2 Party Customers	0	0			22
Residential - 4 Party Customers	0	0			23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,262,265	3,245,823			27
Exchange Square Miles	45	63			28
Exchange Route Miles	108	176			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10
Nortel	NO	11

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BAY CITY	HAGER CITY			1
PSCW Exchange ID	0350	2210			2
Central Office Name	BAY CITY	HAGER CITY			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NO	NO			5
Year COE Installed	1999	1999			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	R			8
Remote Host PSCW Exchange ID	2210	2210			9
Remote Host PSCW Central Office ID	1	1			10
COE Generic Software Release No.	17	17			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	684	1,312			14
- Equipped	782	1,380			15
- Wired	1,244	1,848			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	Yes	Yes			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	1			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	0	30			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	144			33
No. of fiber strands working (LIT) in C.O.	0	22			34
No. of fiber strands for interoffice use	0	0			35
Miles of fiber sheath in wire center	3	33			36
Access Tandem Serving this C.O.:					
- C.O. Name					37
- PSCW C.O. ID					38
Does this C.O. do access tandem switching?	Yes	Yes			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- 1) The adjustment was made to record CPR adjustments.
- 2) The adjustment was an audit entry made to adjust construction contracts payable.
- 3) The increase was expected due to a facility lease arrangement with Wisconsin Independent Network and West Wisconsin Telephone Company that became effective in April of 1999.
- 4) The billing is done by Interstate Telcom, who does not record or track local minutes of use. Therefore, the information is unavailable.